



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0458	Title:	Provide for the Smith River legacy act
Primary Sponsor:	Brown, Zach	Status:	As Introduced

- | | | |
|-----------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$91,761	\$88,613	\$89,500	\$90,644
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$91,761)</u>	<u>(\$88,613)</u>	<u>(\$89,500)</u>	<u>(\$90,644)</u>

Description of fiscal impact: HB 458 creates a new permitting program within the Department of Environmental Quality (DEQ), which will require rulemaking and one additional FTE to process permit applications.

FISCAL ANALYSIS

Assumptions:

1. Revenue will not be received by DEQ for processing legacy permits that do not require a discharge permit and funding for those permits would come from the general fund.
2. The Board of Environmental Review will adopt rules to implement the provisions of HB 458.
3. Rule adoption requires printing costs, travel costs, board attorney fees, and a stakeholder process. The estimated costs for the rulemaking process are \$7,315.
4. It is assumed that the phrase "Commence an activity" does not mean existing permitted activities under Title 75, chapter 5; Title 82; or Title 85 or renewal of existing permits for those activities.
5. A person applying for a permit under Title 75, Chapter 5, MCA; Title 82, MCA; or Title 85, MCA or a change in appropriation right for industrial or municipal water use pursuant Title 85, would simultaneously apply for a legacy permit.
6. There will be two applications per year in the Smith River watershed for a permit to discharge under Title 75, Chapter 5, MCA.

7. There will be one application per year for a permit for a mining or oil and gas permit in the Smith River watershed.
8. There will be two applications per year for a permit or change in appropriation rights for an industrial or municipal water use under Title 85, MCA in the Smith River watershed.
9. There would be 1.00 FTE Environmental Science Specialist necessary to process the legacy permit applications. Salary and benefits for the FTE would be \$61,659 in FY 2016 and \$61,464 in FY 2017.
10. Operating expenses include one-time expenses of \$2,900 for an office set-up and a computer in FY 2016. In addition ongoing operating expenses of \$27,227 in FY 2016 and \$27,149 in FY 2017 for network and communications costs, training, agency indirect costs, travel, lodging, and per diem expenses

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<u>Fiscal Impact:</u>				
FTE	1.00	1.00	1.00	1.00
<u>Expenditures:</u>				
Personal Services	\$61,659	\$61,464	\$62,029	\$62,800
Operating Expenses	\$30,102	\$27,149	\$27,471	\$27,844
TOTAL Expenditures	\$91,761	\$88,613	\$89,500	\$90,644
<u>Funding of Expenditures:</u>				
General Fund (01)	\$93,036	\$88,613	\$89,500	\$90,644
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	\$91,761	\$88,613	\$89,500	\$90,644
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$93,036)	(\$88,613)	(\$89,500)	(\$90,644)
State Special Revenue (02)	\$0	\$0	\$0	\$0

Technical Note:

1. Section 5(2)(b) of the bill provides that, if the preliminary decision is to issue a legacy permit, the decision must include a description of conditions that would be applied to any authorization to degrade. However, in conjunction with section 2(2), section 5(2)(b) prohibits degradation. Therefore, no authorization to degrade could be issued.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date